

IDAL

INVEST IN LEBANON

**THE ICT MARKET
IN IVORY COAST
2015**



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I - MARKET OVERVIEW

The Ivory Coast is the second largest economy in Africa and the largest economy in the West African Economic and Monetary Union (UEMOA). Since 2011 the Ivory Coast has registered remarkable growth. Indeed, GDP growth was at 8.8% in 2013 and 9.2% in the third quarter of 2014. This positive performance comes after years of sluggish performance and was facilitated by many factors mainly the devaluation of the CFA franc, higher cocoa and coffee prices, growth in non-traditional primary exports such as pineapples and rubber, debt relief and rescheduling, as well as the discovery of oil and gas reserves. The Ivory Coast records the 4th highest growth rate amongst African countries, with an average annual FDI growth rate of 43.1%, between 2007-2012. Lebanon is Ivory Coast's leading investor.

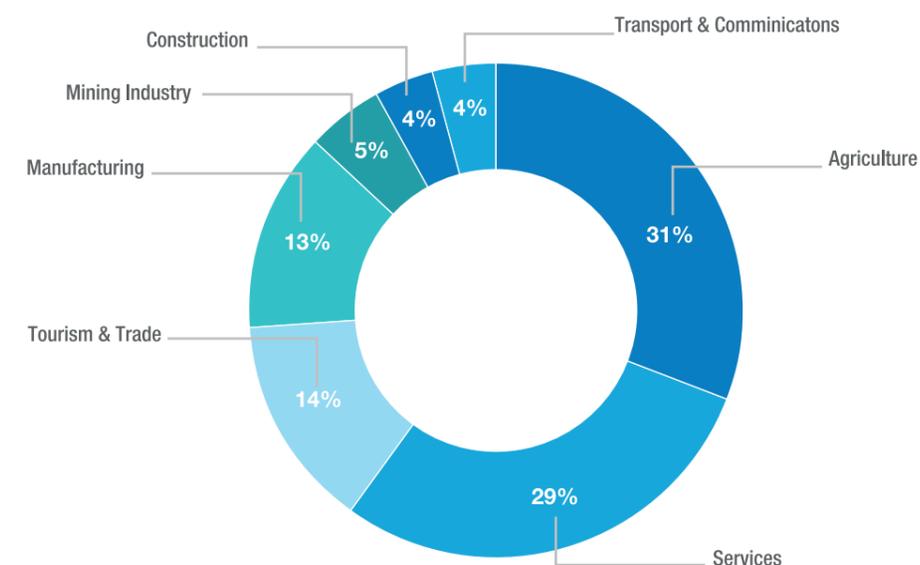
Capital	Yamoussoukro
Largest city	Abidjan
Government	Presidential Republic
Currency	West African CFA franc (XOF)
Official language	French
Area	322,463 km ²
Population	22,848,945 (July 2014 est.)
Calling code	+225

Economic snapshot

	2009	2010	2011	2012	2013	2014
GDP (% annual growth rate)	3.7	2.4	-4.7	9.5	9.5	9.9(Q3)
Exports of goods and services (% of GDP)	50.7	50.5	53.8	48.4	48.4	-
Imports of goods and services (% of GDP)	39.8	43.2	37.3	44.2	44.2	-
ICT goods imports (% total goods imports)	3.9	3.3	3.1	2.5	2.5	-
Inflation (annual %)	1.0	1.7	4.9	1.3	1.3	-
Exchange rate (per USD)	472.2	495.3	471.9	510.5	510.5	494.4

Source: World Bank

Sector Contribution to GDP in the Ivory Coast | 2011



Source: OECD

¹ Ernst & Young's Attractiveness Survey on Africa, 2013.

II. Trade Outlook

The Ivory Coast's largest city, Abidjan, is home to the second largest port in Africa. Its main imports include mineral, vegetable and chemical products, machinery and mechanical appliances, electrical equipment, sound and television image recorders and reproducers.

The Ivory coast has Free Trade Agreements with the European and African community, making them the main associates. However, no Trade Agreements have been conducted with Lebanon yet. South-South trade is expected to thrive with Asian partners on the rise as main trade partners, especially India and China.

Ease of Trade

Importing a standard container of goods into Ivory Coast requires



Main exporters to the Ivory Coast

1 Nigeria	6 United States
2 France	7 Germany
3 China	8 Vietnam
4 India	9 Spain
5 Thailand	10 Netherlands

Source: Observatory of Economic Complexity (2012)

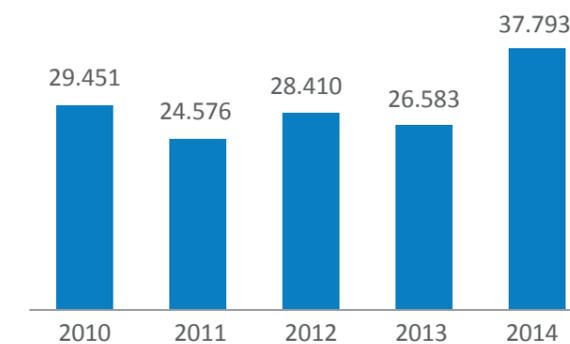
Top Lebanese Exports to the Ivory Coast 2013 | Tons, Net

	Tons Net
1 Beverages, spirits and vinegar	1,043
2 Nuclear reactors, boilers, machinery...	971
3 Plastics and article	811
4 Printed books, newspapers, pictures...	739
5 Furniture; bedding, mattresses, mattress supports...	693
6 Paper and paperboard; articles of paper pulp	582
7 Miscellaneous edible preparations	512
8 Miscellaneous manufactured articles	460
9 Tanning or dyeing extracts; tannins...	311
10 Electrical machinery, equipment and parts	284

Source: Lebanese Higher Customs Council (2013)

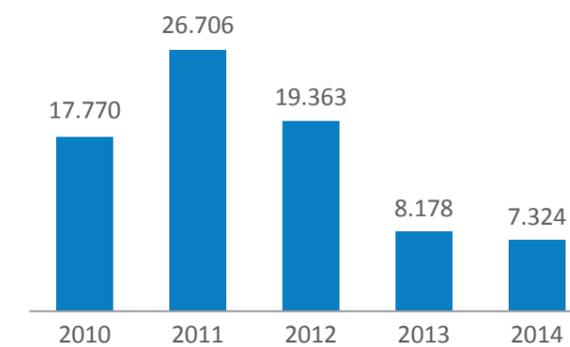
Trade volumes between Lebanon and the Ivory Coast (2010-2013)

Total Lebanese Exports to Ivory Coast | USD Million



Source: Lebanese Higher Customs Council (2014)

Total Lebanese Imports from Ivory Coast | USD Million



Source: Lebanese Higher Customs Council (2014)

III. Business Opportunities

The Ivory Coast's ICT sector has persistently expanded and proved lucrative. In 2013, it generated a total of around 5,000 direct jobs and 50,000 indirect jobs and contributed to around 6- 7% of GDP, the second largest contribution after agriculture, amounting to roughly USD 600-800Billion¹.

The Ivory Coast is currently West Africa's largest internet market and is mainly based on mobile connectivity. Indeed, the Ivory Coast had an estimated mobile penetration rate of 88% in 2014, one of the highest in Sub-Saharan Africa. Moreover there are currently six mobile operators, all of them backed up by renowned international operators: MTN and Orange are the leaders in the market, and other's include Moov (owned by UAE's Itisalal and sold to Maroc Telecom in 2014) and KoZ (owned by the Lebanese Comium Group)².

This high increase in mobile phones and internet penetration opened the door to various opportunities for mobile-related businesses and a particularly promising market for service sector applications. Software systems are also increasingly sought after across various industries in order to enhance customer experiences. The country also has an important telecommunications infrastructure giving it a comparative advantage in the region³.

Ivory Coast telecom sector - Market Penetration Rates (estimates) | 2014

Market	Penetration Rate
Mobile	88%
Fixed	1%
Internet	5%

Source: Research and Markets report

1. e-Government

The Ivory Coast started its e-government initiatives in 2004 by posting information online on naturalization, legal texts, surveys and documents on immigration, as well as a number of downloadable forms⁴. In 2011, the Government adopted the e-GOUV scheme, which consists of two major axes; e-Administration and e-Services⁵. The SNDI is also working to implement ICT solutions in all government activities, including finance, health care, and education, with the goal of providing, by the year 2020, all government services available online in developed countries⁶. Hence, the e-government subsector is growing at a rapid rate in the Ivory Coast and presents an abundance of potential programs and applications⁷.

2. e-Agriculture

A comprehensive national e-agriculture strategy document was validated in 2012. This strategy has the aim of modernizing the country's agricultural sector and enhancing its productivity: increasing the country's export of cocoa, coffee and other produce, and decreasing food imports⁸. The strategy requires suitable access to information services and data centers as part of an ICT package aiming to make real-time market information systems available via mobile phones and tablets⁹. Esoko is an Agriculture mobile applications used to market information for businesses and

private individuals in Ivory Coast¹⁰. Partnering with the government for the development of similar programs will be highly profitable since agriculture is the biggest sector in the Ivory Coast.

3. e-Health

In countries such as the Ivory Coast, where the number of mobile phones surpasses that of fixed lines, e-Health and m-Health seem to be a favorable network for medical communication and healthcare. However, only a few applications are available at the moment. One of the most successful is the Duty Chemist application, launched by Orange Healthcare, which identifies the closest pharmacies to patients via mobile¹¹.

4. e-Education

Knowing that education remains the base of all development, the Ivorian government recognizes that applications are scarce in this domain, and is pushing for e-Education to become a pillar in the nation. An example of an e-Education project is Mindset Learn which delivers materials via television and the internet for up-to-date and interactive learning¹².

5. e-Commerce

E-commerce is on the rise in Ivory Coast, especially given the country's developed phone network and high mobile penetration rates. In 2013, Millicom, a digital services companies launched Hellofood, Jumia and Kaymu, three major online marketplaces¹³. Other companies such as e-sis (e-Société Ivoirienne de Service) are also benefiting from this trend and are promoting the adoption of e-commerce for retailers on their website¹⁴.

6. e-Banking

The banking and payments sector is one of the most promising industries for service sector applications. Over 40% of the adult population of the country has a mobile money account¹⁵. Five companies launched their mobile money service in Côte d'Ivoire: Orange, Mtn, Moov, CelPaid and Qash services¹⁶ and offer services such as money transfer, bill payments, deposits withdrawals, and salary payments.

7. Cloud Computing

The cloud computing market offers many investment opportunities. In 2012, SlapOS was selected by the Ministry of Interior to power its data center and provide access to 10 precarious applications to 30,000 users. This was the first commercial success of a similar service in the Ivory Coast on the sovereign Cloud market, only 3 months after its commercial introduction¹⁷. In 2013, MTN announced the extension of its cloud services to Ivory Coast¹⁸.

¹ Biztech Africa, Ivory Coast Government Takes Stock of ICT Progress, 2013

² Macropolis, ICT and Telecom Sector in Côte d'Ivoire: Analysis of Telecom and ICT Sector, 2012

³ Embassy Of Cote d'Ivoire-New Delhi, Other Assets of Cote d'Ivoire

⁴ Agence EcoFin, L'Afrique Se Met A l'e-Gouvernement, 2011

⁵ TIC Edu Forum, Le Dispositif e-Education de la Côte d'Ivoire, 2012

⁶ GlobalBusiness, Ivory Coast :The Comeback, 2014 <http://www.globalbusiness.uk.com/pdfs/2014/2014-09-ivorycoast.pdf>

⁷ Republic of Ivory Coast, Restitution du Rapport D'actualisation du Schema Directeur de la Gouvernance Electronique, 2013

^{8,9} ICT update, E-agriculture strategies: the case of Ivory Coast, 2013

¹⁰ Andre M. Nnoug, Burt E. Swanson and Andrea B. Bohn, IFPRI 2012 Global Forum for Rural Advisory Services

¹¹ Orange Healthcare, mHealth, 2014

¹² Center for Education Innovations, Mindset Learn

¹³ Millicom, Where We Operate – Ivory Coast

¹⁴ e-SIS, Presentation de e-SIS

¹⁵ Claire Penicaud, Mobile money in Côte d'Ivoire: A turnaround story,2014

¹⁶ Ibid. Claire Penicaud, Mobile money in Côte d'Ivoire: A turnaround story,2014

¹⁷ Nexedi, Press release 2012

¹⁸ Business Cloud News, MTN buys datacentre for Ivory Coast, 2013

Government efforts to boost the ICT sector

The government formed new regulatory bodies and came up with initiatives to foster the ICT sector:

▶ The Autorité de Régulation des Télécommunications de Côte d'Ivoire (ARTCI) was established in 2012 as a result of the merger of the Telecommunications Council of Côte d'Ivoire (CTCI) and the Telecommunications Agency of Côte d'Ivoire (ATCI), in order to develop the digital economy and expand the reach of ICT in the Ivory Coast .

▶ The Agence Nationale du Service Universel des Télécommunications (ANSUT) was created to ensure universal provision of telecommunications services for individuals and businesses. In 2014, ANSUT planned an extensive expansion of its fiber-optic network in order to generate an influx of e-solutions for a number of different sectors, including banking, health, and education services .

▶ The Société Nationale de Développement Informatique (SNDI) is a government entity that seeks to support and provide assistance to organizations, communities, and private companies in all ICT related matters .

▶ Investors can also benefit from the Ivory Coast's Free Trade Zone at Grand Bassam which is dedicated to the telecommunications industry.

IV. SWOT Analysis of the Market

Strengths

- ▶ Key transit station for neighboring countries
- ▶ Largest economy in West African Economic and Monetary Union
- ▶ Skilled Workforce
- ▶ Rising consumer spending
- ▶ Strong levels of development spending
- ▶ Dynamic and resourceful private sector
- ▶ Free trade zone
- ▶ Relatively good infrastructure

Opportunities

- ▶ Several sectors have not reached their potential
- ▶ Liberalized ICT sector
- ▶ Increasing need for ICT
- ▶ Growth of IT industry
- ▶ Growth of FDI in new industries

Weaknesses

- ▶ Corruption
- ▶ Sub-Optimal governance

Threats

- ▶ Sub-Optimal regulatory environment
- ▶ Political instability

V. Key Players

- ▶ **Software:** Sky Software, r-works, X-Ware SARL, Groupe Inova, Eburnis, Afrisofts
- ▶ **Telecom operators and systems integrators:** Cote d'Ivoire Telecom, MTN, Alink Telecom
- ▶ **Wireless telecom operators:** MTN, Orange, MooV, KoZ, GreenN, Warid
- ▶ **Web design and development:** Touwmi, Starsoft Informatique, Novafrica Web Agency, Ivoprest

Lebanese companies operating in Ivory Coast:

▶ KoZ

Created in 2007. KoZ is owned by the Comium Group, a Lebanese-owned telecommunications company.

Sector of operations and activities: GSM technologies. KoZ was the first to introduce voice messaging services in Ivory Coast and the first to introduce concierge services in Africa. It also experienced the fastest growth by any GSM operator in Ivory Coast.

Contact info: Hassan Dhaini, Director General

Customers reach: 1.5 million customers

VI. Trade Fairs 2016

▶ AFRICA IT TELECOM FORUM

March 27 2016

www.i-conferences.org/africa-it-telecom-forum/

VII - How can IDAL help

IDAL can provide a range of services to Lebanese-based companies wishing to grow their business in the Ivory Coast market. Apart from supporting the in-flow of investments, IDAL is also responsible as per its mandate, to assist in the support, promotion and marketing of Lebanese products. IDAL can provide practical support to Lebanese companies who wish to export their products abroad by providing services including the sponsorships for participations at international trade fairs. If you wish to expand into overseas markets, IDAL will help you overcome the barriers in new challenging markets. Through its market intelligence services, and constant participation in inward and outward trade missions. IDAL will also identify specific business opportunities (outsourcing, joint ventures, ...) and connect local ICT companies with the related international partners.

VIII. Useful Contacts

► Embassy of Lebanon in Ivory Coast

Abidjan

Tel: (225) 20 33 28 24/ (225) 20 33 25 96

www.ambaliban.ci

► Investment Promotions Center in Cote d'Ivoire (CEPICI)

Abidjan

Tel: (225) 20 31 14 00

www.cepici.gouv.ci

► Ivory Coast Chamber of Commerce and Industry

Abidjan

Tel: (225) 20 33 16 00

www.cci.ci

► Ministry of Finance and Economy

Abidjan

Tel: (225) 20 30 50 90 / (225) 20 30 25 25 / (225) 20 30 50 98

www.finances.gouv.ci

► Ministry of Commerce, Crafts and SME promotion

Abidjan

Tel : (225) 20 22 95 28

www.commerce.gouv.ci

► Lebanese Chamber of Commerce and Industry in Côte d'Ivoire (CCIL-CI)

Abidjan

Tel: (225) 21 26 22 12

www.ccilci.org

